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2006-268-8
526 S. Church St.
Charlotte, N.C. 28202
Phillip O. Stillman, General Manager
Duke Energy Carolinas
EC06E / P.O. Box 1006
Charlotte, N.C. 28201-1006
704 382-8070
704 382-7939 fax

November 28, 2011

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Ms. Jocelyn Boyd:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC
for the twelve months ending September 30, 2011. Please feel free
to call me at (704) 382-8070.

Sincerely,

Phillip O. Stillman
Regulatory Accounting and Planning

Enclosure

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

Mr. John Flitter
Director, Electric & Gas Regulation
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Catherine E. Heigel, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Catherine E. Heigel
Signature of President

Catherine E. Heigel
Typed or Printed Name of Person Signing

President, Duke Energy South Carolina
Title

November 21, 2011
Date Signed

Subscribed and sworn to before me this 21 day of November, 2011.

Jessica Watts
Notary Public

My Commission Expires: 6/18/19

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles
Signature of Person Making Verification

James D. Wiles
Typed or Printed Name of Person Signing

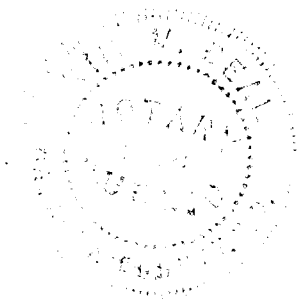
VP, Franchised Electric and Gas Accounting
Title

November 14, 2011
Date Signed

Subscribed and sworn to before me this 16th day of November, 2011.

Kim V. Beal
Notary Public

My Commission Expires: October 24, 2014



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs. (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,466,388	23.9971%	\$ 1,551,747	\$ 7,923	\$ 1,559,670
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,715,378	25.1706%	431,771	(1,268)	430,503
5	Purchased Power and Net Interchange	283,854	25.3518%	71,962	(190)	71,772
6	Wages, Benefits, Materials, etc.	1,852,575	24.2279%	448,840	(6,792)	442,048
7	Depreciation and Amortization	756,613	24.6948%	186,844	22,670	209,514
8	General Taxes	335,279	17.2796%	57,935	4,930	62,865
9	Interest on Customer Deposits	5,733	11.6170%	666	(1)	665
10	Income Taxes	481,799	23.2940%	112,230	(4,823)	107,407
11	Amortization of Investment Tax Credit	(6,990)	23.6910%	(1,656)	6	(1,650)
12	Total Electric Operating Expenses	5,424,241	24.1249%	1,308,592	14,532	1,323,124
13	Operating Income	\$ 1,042,147	23.3321%	\$ 243,155	\$ (6,610)	\$ 236,545
14	Add: Customer Growth Adjustment				362	362
15	Income for Return			\$ 243,155	\$ (6,248)	\$ 236,907
16	Original Cost Rate Base (b)			\$ 3,248,392	\$ 319,656	\$ 3,568,048
17	Rate of Return on South Carolina Retail Rate Base			7.49%		6.64%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

Line No.	Description	Total Company Capitalization		South Carolina Retail			
		Amount (Col. 1)	Ratio (Col. 2)	Per Book Embedded		Pro Forma Embedded	
				Retail Rate Base (Col. 3)	Cost/ Return % (Col. 4)	Retail Rate Base (Col. 6)	Cost/ Return % (Col. 7)
							Operating Income (Col. 8)
1	Long-Term Debt	\$ 7,516,183	43.79%	\$ 1,422,471	5.38%	\$ 1,562,448	\$ 84,060
2	Preferred Stock	-	0.00%	-	0.00%	-	-
3	Members' Equity	9,647,937	56.21%	1,825,921	9.13%	2,005,600	152,847
4	Total	\$17,164,120	100.00%	\$ 3,248,392 (a)		\$ 3,568,048 (c)	\$ 236,907 (d)

Notes: (a) From Page 4, Line 12, Column 2.

(b) From Page 1, Line 15, Column 2.

(c) From Page 4, Line 12, Column 4.

(d) From Page 1, Line 15, Column 4.

(e) If adjusted for weather, this rate would be 6.45%.

(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$5 million for the 12 months ended 09/30/11.
A net of tax South Carolina Retail allocation of profits would amount to approximately \$1 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	\$ 9,600	\$ -	\$ -	\$ (3,760)	\$ -	\$ (5,840)
2	To Annualize Wage Rate Increase	-	-	-	(463)	-	(28)	-	192	-	299
3	To Eliminate Incremental Voluntary Opportunity Plan and Office Consolidation Costs	-	-	-	(766)	-	-	-	300	-	466
4	To Eliminate Catawba Purchased Power Levelization	-	-	-	-	-	-	-	-	-	-
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	3,247	-	(1,272)	-	(1,975)
5	To Reflect CWIP Closings to Plant	-	-	-	-	11,967	1,961	-	(5,456)	-	(8,472)
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	(485)	-	485
7	To amortize deferral balance related to Cliffside Unit 5 scrubber	-	-	-	-	1,767	-	-	(692)	-	(1,075)
8	To eliminate Progress merger costs to achieve	-	-	-	(3,883)	-	-	-	1,521	-	2,362
9	To eliminate unbilled revenue adjustment	9,159	-	-	-	-	-	-	3,588	-	5,571
10	To Exclude Greenwood Operations	(1,236)	(1,268)	(190)	(1,680)	(664)	(250)	(1)	1,241	6	1,570
11	Total Adjustments	\$ 7,923	\$ (1,268)	\$ (190)	\$ (6,792)	\$ 22,670	\$ 4,930	\$ (1)	\$ (4,823)	\$ 6	\$ (6,610)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant in Service	\$ 28,187,566		\$ 6,506,974	\$ 350,317	\$ 6,857,291
2	Less: Accumulated Depreciation and Amortization	(12,876,433)		(2,883,953)	(21,567)	(2,905,520)
3	Net Electric Plant	15,311,133		3,623,021	328,750	3,951,771
4	Add: Materials and Supplies	766,890		186,106	2,816	188,922
5	Working Capital Investment	1,200,414		283,306	-	283,306
6	Plant Held for Future Use	3,238	25.5122%	826	-	826
7	Less: Accumulated Deferred Taxes	(3,898,507)	25.0743%	(977,525)	-	(977,525)
8	Operating Reserves	(336,961)	26.3743%	(88,871)	-	(88,871)
9	Customer Deposits	(91,906)		(20,115)	-	(20,115)
10	Greenwood				(11,910)	(11,910)
11	Construction Work in Progress	988,455		241,644		241,644
12	Total Original Cost Rate Base	\$ 13,942,756 =====		\$ 3,248,392 =====	\$ 319,656 =====	\$ 3,568,048 =====

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 14,489,175		\$ 3,193,525	\$ 236,628	\$ 3,430,153
2	Transmission	2,639,494	19.0833%	503,702	12,740	516,442
3	Distribution (b)	8,883,946	25.5651%	2,271,187	86,150	2,357,337
4	General	661,094	24.1304%	159,524	7,320	166,844
5	Intangible	419,853	23.6932%	99,477	7,479	106,956
6	Subtotal	27,093,562	22.9849%	6,227,415	350,317	6,577,732
7	Nuclear Fuel	1,094,004	25.5537%	279,559		279,559
8	Total Electric Plant in Service	\$ 28,187,566 (a)		\$ 6,506,974	\$ 350,317	\$ 6,857,291
		=====		=====	=====	=====

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$88,820) thousand.

(b) The accounting adjustment in Col. 3 reflects plant in service additions not related to customer growth.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,765,033		\$ 1,363,120	\$ 14,048	\$ 1,377,168
2	Transmission	1,179,151	19.0224%	224,303	431	224,734
3	Distribution	3,834,406		1,016,054	2,530	1,018,584
4	General	132,527	32.8567%	43,544	3,062	46,606
5	Intangible	307,337	22.3838%	68,794	1,496	70,290
6	Subtotal	12,218,453	22.2272%	2,715,815	21,567	2,737,382
7	Nuclear Fuel	657,980	25.5537%	168,138		168,138
8	Total Accumulated Depreciation and Amortization	\$ 12,876,433 (a)		\$ 2,883,953	\$ 21,567	\$ 2,905,520

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.57%
10	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.35%
11	Hydro Production Plant	3.44%
12	Combustion Turbine Production Plant	3.62%
13	Solar Production Plant	5.38%
	Transmission Plant:	
14	Right-of-Way	1.16%
15	Other	2.03%
16	Distribution Plant	2.33%
17	General Plant	Various
18	Land Rights	0.81% - 1.88%
19	Intangible Plant	20.00%

Note: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling (\$24,494) thousand and reclassifies cost of removal and other deferred credits to increase accumulated depreciation by \$1,464,239 thousand.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
Fuel Stock:						
1	Coal	\$ 265,977	25.5537%	\$ 67,967	\$ 2,816	\$ 70,783
2	Oil	28,384	25.5537%	7,253	-	7,253
3	Total Fuel Stock	294,361	25.5537%	75,220	2,816	78,036
4	Other Electric Materials and Supplies & Stores Clearing	472,529	23.4666%	110,886	-	110,886
5	Total Materials and Supplies	\$ 766,890		\$ 186,106	\$ 2,816	\$ 188,922

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,785		
Price per Ton - Coal	\$ 99.46		
Total Company Pro Forma Inventory	\$ 276,996	25.5537%	70,783
Per Book Coal Inventory			67,967
Coal Adjustment			\$ 2,816
=====			

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 3,379,777		\$ 832,443	-	\$ 832,443
2	1/8 of O&M Expenses on Line 1	\$ 422,472		\$ 104,055		\$ 104,055
3	Less: Average Taxes Accrued	(5,963)		(1,633)	-	(1,633)
4	Subtotal	416,509		102,422	-	102,422
5	Required Bank Balances	340	23.3985%	80	-	80
6	Bond Reacquisition Premiums	123,441	17.3532%	21,421	-	21,421
7	Pension Funding	641,909	24.1536%	155,044	-	155,044
8	Prepayments	18,215	23.8212%	4,339	-	4,339
9	Total Working Capital Investment	\$ 1,200,414		\$ 283,306	\$ -	\$ 283,306

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 3,675,470	23.8212%	\$ 875,540	\$ -	\$ 875,540
2	Transmission	160,203	19.0196%	30,470	-	30,470
3	Distribution	74,969	25.5651%	19,166	-	19,166
4	General	44,438	24.1304%	10,723	-	10,723
5	Intangible	267,720	23.6932%	63,432	-	63,432
6	Total Construction Work in Progress	\$ 4,222,800		\$ 999,331	\$ -	\$ 999,331
		=====		=====	=====	=====

Line

No. Description

Twelve Months Ended 30-Sep-2011

1	SEC Fixed Charges Coverage	3.85
2	Earnings per Share	\$1.38

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$ 2,581,018			\$ 1,968,926	76.2849%	\$ 612,092	23.7151%
2	Commercial	1,933,055			1,519,315	78.5965%	413,741	21.4035%
3	Industrial	1,035,492			632,616	61.0933%	402,876	38.9067%
4	Public Street & Highway Lighting	37,786			31,997	84.6802%	5,789	15.3198%
5	Interdepartmental	-			-	0.0000%	-	0.0000%
6	Sales for Resale:							
7	Special Contract	354,448	\$ 326,535	92.1249%	27,587	7.7830%	326	0.0921%
8	Other	-	-	0.0000%				
9	Total Revenue from Sales of Electricity	\$ 5,941,799	\$ 326,535	5.4956%	\$ 4,180,441	70.3565%	\$ 1,434,823	24.1480%
<u>Kilowatthour Sales (000s)</u>								
10	Residential	29,021,652			22,123,061	76.2295%	6,898,590	23.7705%
11	Commercial	27,749,318			21,999,849	79.2807%	5,749,469	20.7193%
12	Industrial	20,822,475			12,232,801	58.7481%	8,589,674	41.2519%
13	Public Street & Highway Lighting	286,915			244,950	85.3737%	41,965	14.6263%
14	Interdepartmental	-			-	0.0000%	-	0.0000%
15	Sales for Resale:							
16	Special Contract	6,024,953	5,550,482	92.1249%	468,921	7.7830%	5,549	0.0921%
17	Other	-	0	0.0000%				
18	Total KWH Sales	83,905,312	5,550,482	6.6152%	57,069,582	68.0166%	21,285,248	25.3682%
<u>Revenue Per KWH Sold (Cents)</u>								
19	Residential	8.89			8.90		8.87	
20	Commercial	6.97			6.91		7.20	
21	Industrial	4.97			5.17		4.69	
22	Public Street & Highway Lighting	13.17			13.06		13.79	
23	Interdepartmental	0.00			0.00		0.00	
24	Sales for Resale:							
25	Special Contract	5.88	5.88		5.88		5.88	
26	Other	0.00	0.00					
27	Total Revenue per KWH Sold	7.08	5.88		7.33		6.74	